A. Clifford Edwards
Philip McGrady
EDWARDS, FRICKLE & CULVER
1601 Lewis Avenue, Suite 206
P.O. Box 20039
Billings, Montana 59104-0039
Telephone: (406) 256-8155

Attorneys for Plaintiffs



MONTANA SEVENTH JUDICIAL DISTRICT COURT, RICHLAND COUNTY

MICHAEL "MICK" DENOWH, PAUL J. DENOWH, and GARTNER-DENOWH ANGUS RANCH,

Plaintiffs,

vs.

XTO ENERGY, INC.,

Defendant.

Cause No. **DV-11-53**

Judge Katherine M. Irigoin

COMPLAINT AND DEMAND FOR JURY TRIAL

COME NOW the Plaintiffs, by and through their counsel of record, Edwards, Frickle & Culver, and for their complaint against the above-named Defendant, complains and alleges as follows:

FACTS COMMON TO ALL COUNTS

1. Plaintiffs Michael "Mick" Denowh and Paul J. Denowh were at all times relevant hereto, residents of Richland County, Montana; and the Gartner-Denowh Angus Ranch is a Montana corporation with its principal place of business in Sidney, Montana.

- 2. The Defendant, XTO Energy, was at all times relevant hereto a corporation devoted to oil and gas development seeking to enter into surface damage agreements in Richland County, Montana.
- 3. The Plaintiffs own the surface rights to the real property in Richland County, Montana, at issue in this case, but not the oil and gas underlying the surface.
- 4. XTO Energy is attempting to develop, or assist in the development, of the oil and gas underlying the Plaintiffs' surface.
- 5. XTO Energy is obligated to pay the surface owner a sum of money or other compensation equal to the amount of damages sustained by the surface owner for loss of agricultural production and income, lost land value, and lost value of improvements caused by oil and gas operations.
- 6. The Plaintiffs and XTO Energy attempted to negotiate an agreement on surface damage and disruption payments. Due to XTO Energy's unreasonableness, the negotiations failed.
- 7. Despite the fact that the Plaintiffs and XTO Energy have not entered into an agreement for surface damage and disruption payments, XTO Energy has wrongfully entered onto the Plaintiffs' property and started damaging the Plaintiffs' surface without an agreement.

COUNT ONE

Plaintiffs incorporate herein by reference the allegations in all previous paragraphs, and further allege as follows:

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8. Mont. Code Ann. § 82-10-508 provides that "[i]f the person seeking

compensation receives a written rejection, rejects the offer of the oil and gas developer

or operator, or receives no reply, that person may bring an action for compensation in

the district court of the county in which the damage was sustained."

9. XTO Energy has made unreasonable offers of surface damage and

disruption payments to the Plaintiffs.

10. The Plaintiffs have rejected XTO Energy's unreasonable offers, and sought

reasonable compensation.

11. Therefore, the Plaintiffs bring this action for a reasonable surface damage

and disruption payment as provided for by Montana law.

WHEREFORE the Plaintiffs pray judgment against the Defendant for all

damages to which they are entitled to under Montana law in such categories and in

such amounts as will be furnished to the Defendant in accordance with applicable

Montana law and/or Rules of Civil Procedure.

DEMAND FOR JURY TRIAL

The Plaintiffs demand trial by jury of all issues so triable in this action.

DATED this ____ day of April, 2011.

EDWARDS, FRICKLE & CULVER

A Clifford Edwards

Philip McGrady

Attorneys for the Plaintiffs